

Message Text

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PAGE 01 STATE 172365
ORIGIN SS-25

INFO OCT-01 ISO-00 SSO-00 /026 R

DRAFTED BY DOD/DSAA:LT. COL. SINGER/NEA/ARN:MDRAPER:OSD
APPROVED BY NEA/ARN:MDRAPER
DOD/DSAA/TSC - T. TYLER (SUBS)
NEA - H. COLLUMS
NEA/ARP - J. TWINAM
S/S-O: TGMARTIN

-----045806 230146Z /66

O 230105Z JUL 77
FM SECSTATE WASHDC
TO AMEMBASSY JIDDA IMMEDIATE
AMEMBASSY AMMAN PRIORITY

C O N F I D E N T I A L STATE 172365

EXDIS

E.O. 11652: GDS

TAGS: MASS, JO, US

SUBJECT: FY 77 FMS PAYMENTS

REF:(A) AMMAN 4096, (B) STATE 171433, (C) JIDDA 5106

1. PRIOR TO RECEIPT OF REFERENCED MESSAGE THE JORDANIAN ATTACHE, COL. KHADRA, DELIVERED A LETTER TO SECDEF/DSAA REQUESTING TRANSFER OF FUNDS SAVED FROM OTHER FMS CASES TO COVER THE DELINQUENT FY 75 PAYMENT.

2. THE REAL ISSUE IN THIS CASE WAS TO PREVENT THE FIRST DEFAULT IN THE 27-YEAR HISTORY OF THE FMS PROGRAM AND THE CONSEQUENT EMBARRASSMENT TO JORDAN. SECONDARY ISSUES WERE RELEASE OF THE FY 76 FMS CREDITS AND FY 77 MAP FUNDS.

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3. THE REQUEST WAS ACCEPTED AND THE FUNDS HAVE BEEN TRANSFERRED IN TIME TO PREVENT A POTENTIALLY EMBARRASSING DEFAULT. JORDANIANS VIEW THIS AS A ONE-TIME STOP GAP MEASURE AND HOPE THE SAUDIS WILL STILL COME THROUGH WITH THE PAYMENT AND ALL SUBSEQUENT PAYMENTS. WE HAVE ALREADY URGED SAG (SAMA) ON JULY 21 TO EXPEDITE PAYMENT AND HAVE BEEN

PROMISED A RESPONSE JULY 23. IF SAUDI PAYMENT FOR THE DOLS
1.7 MILLION IS ULTIMATELY RECEIVED, DOD CAN ADJUST JORDANIAN
TRUST FUND ACCOUNT.

4. FOR JIDDA: REF B IS BEING REPEATED TO YOU FOR FURTHER
BACKGROUND. CONSIDERING WHAT HAS HAPPENED, EMBASSY JIDDA
CANNOT NOW ACTIVELY PRESS SAUDIS FOR THE PAYMENT. IN THE
MEETING ON JULY 23, IF AND ONLY IF LATIF OF SAMA ASKS ABOUT
THE CURRENT STATUS OF THE ACCOUNT, YOU SHOULD INFORM HIM
OF THE JORDANIAN PAYMENT. IN THAT EVENT, YOU ARE AUTHORIZED
TO SAY THAT THE JORDANIAN MADE THE PAYMENT OF PRINCIPLE
AS A STOP-GAP MEASURE TO PREVENT A DEFAULT WHICH COULD
HAVE PROVED HIGHLY EMBARRASSING TO JORDAN, AND THAT DOD
HAD NO PRACTICAL ALTERNATIVE TO ACCEPTING PAYMENT IMME-
DIATELY. THE U.S. IS PREPARED TO ACCEPT THE SAUDI PAYMENT
AND, IN THAT EVENT, WOULD ADJUST THE ACCOUNT HELD BY THE
JORDANIANS ACCORDINGLY. -

5. WE PRESUME THE JORDANIANS WILL BE URGING THE SAUDIS
TO MAKE THIS PAYMENT, BUT WE DO NOT WANT TO GET INTO THAT
PARTICULAR ACT IN ANY WAY. VANCE

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Message Attributes

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Control Number: n/a
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Sent Date: 23-Jul-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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